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弘達金融控股有限公司
HongDa Financial Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

SUPPLEMENTAL INFORMATION TO THE PROFIT WARNING

This announcement is made by HongDa Financial Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s profit warning announcement dated 25 March 2020 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Board wishes to provide further information to the shareholders of the Company and potential investors that it is anticipated that the Group would record an increase in loss by approximately 175% for the FY2019 as compared to the loss for the year ended 31 December 2018.

The anticipated increase in loss for FY2019 is mainly attributable to (i) decrease in revenue in relation to the materials trading business during FY2019 as a result of the negative sentiment of the PRC-US trade war, which affects global economy and reduces the demand for commodities; (ii) increase in finance costs (including interest on bank and other borrowings and interest on convertible bonds) compared with last year; (iii) increase in fair value loss on financial assets at fair value through profit or loss as a result of the challenging macroeconomy and current outbreak of COVID-19 epidemic; and (iv) increase in impairment loss on the receivables after adoption of expected credit loss model under Hong Kong Financial Reporting Standard 9.

As the Company is still in the process of finalising the final results of the Group for FY2019, the information contained in this announcement is based only a preliminary assessment by the management according to the information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Board and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the details of the announcement of unaudited annual results for the FY2019, which is expected to be published on 30 March 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
HongDa Financial Holding Limited
Qiu Bin
Chairman and Executive Director

Hong Kong, 27 March 2020

As at the date of this announcement, the Board comprises Mr. Qiu Bin (Chairman and CEO) and Ms. Chen Xiaohang as executive directors; and Mr. Wong Yiu Kit, Ernest, Mr. Zhao Xianming and Dr. Guan Huanfei and Mr. An Dong as independent non-executive directors.